



Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee:

RESOLUTION

A resolution authorizing and approving an increase in the eligible basis of buildings located in the GO Zone pursuant to Section 42(d)(5) of the Internal Revenue Code in order to sustain their financial feasibility; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "**Agency**") has been ordered and directed to act on behalf of the State of Louisiana (the "**State**") in allocating and administering programs and/or resources made available pursuant to Section 42 of the Internal Revenue Code; and

WHEREAS, Section 101 of The Gulf Opportunity Zone Act of 2005 (the "**GO Zone Act**") added a new Part II – Tax Benefits for Gulf Opportunity Zone (the "**GO Zone**") and enacted a new Section 1400N of the Internal Revenue Code (the "**Code**") that provided additional housing credit dollar amounts for the GO Zone pursuant to Section 1400N(c); and

WHEREAS, Section 1400N(c)(3)(A)(1) provides that, for purposes of Section 42, the GO Zone, the Rita Zone and the Wilma Zone "*shall be treated as difficult development areas designated under subclause (I) of section 42(d)(5)(C)(iii)*" without taking into account the limits on such areas under subclause (II) of such section; and

WHEREAS, Section 1400N(c)(3)(B) provided that only allocations of housing credit dollar amounts during the period beginning on January 1, 2006 and ending on **December 31, 2008** to buildings placed in service during such period qualified for treatment of the GO Zone as a difficult development area ("**DDA**"); and

WHEREAS, Section 8222(a) of the Small Business and Work Opportunity Tax Act of 2007 (the "**2007 SBWOT Act**") added a new paragraph (5) to Subsection (c) of Section 1400N extending the time within which a building located in the GO Zone that received an allocation of GO Zone Credits may be placed in service to **December 31, 2010** and Section 8222(b) of the 2007 SBWOT Act amended Section 1400N(c)(3)(B) permitting the GO Zone, Rita Zone or Wilma Zone to continue to be treated as a DDA during a period "*ending on December 31, 2010*"; and

WHEREAS, Section 763 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the “**2010 Tax Act**”) amended Section 1400N(c)(5) by striking “January 1, 2011” and inserting “January 1, 2012” thereby extending the PIS Deadline for buildings allocated GO Zone Credits to December 31, 2011 but the 2010 Tax Act did **not** amend Section 1400N(c)(3)(B) to extend the treatment of the GO Zone as a DDA beyond December 31, 2010; and

WHEREAS, Section 3003 of Division C of the Housing and Economic recovery Act of 2008 (“**HERA**”) added a new clause (V) in Section 42(d)(5) to permit State housing credit agencies to designate buildings *as requiring an increase in credit under this subparagraph in order for such building to be financially feasible as part of a qualified low-income housing project...as located in a difficult development area*; and

WHEREAS, buildings located in the GO Zone which were initially underwritten with a 30% basis boost as a result of Section 1400N(c)(3)(A)(1) are at risk of losing credits necessary to sustain their financial feasibility solely because of a failure of the 2010 Tax Act to extend the DDA treatment of the GO Zone to December 31, 2011 simultaneously with the placement in service extension to December 31, 2011; and

WHEREAS, the Agency’s Board of Commissioners (the “**Board**”) now determined to provide taxpayers constructing and/or rehabilitating buildings located in the GO Zone that received allocations of low-income housing credits (“**Credits**”) that are facing closing deadlines and/or have not yet been placed in service assurance that buildings located in the GO Zone will continue to be treated as located in a difficult development area under clause (V) in Section 42(d)(5) in order to sustain their financial feasibility through the later of December 31, 2011 or a later date corresponding to the date that Congress extends the placed in service deadline for buildings allocated GO Zone Credits;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “**Board**”) of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency that:

SECTION 1. Treatment of Buildings Allocated GO Zone or Rita Credits as located in the GO Zone: Any building located in the GO Zone that received a basis boost and an allocation of Credits based upon the treatment of the GO Zone as a difficult development area shall continue to be treated as located in a difficult development area pursuant to the provisions of Section 42(d)(5) through the later of December 31, 2011 or

a later date corresponding to the date that Congress extends the placed in service deadline for buildings allocated GO Zone Credits. The actions taken by any staff or officer of the Agency to provide assurance to Taxpayers that buildings being constructed and/or rehabilitated in the GO Zone with equity attributable to credits based upon the additional basis from such buildings being located in a difficult development area are hereby ratified and confirmed.

SECTION 2. The Agency staff, General Counsel, and Foley & Judell, L.L.P., as Tax Credit Counsel to the Agency shall advise and confirm to Taxpayers that the Board's determination to treat buildings located in the GO Zone as located in a difficult development area notwithstanding the failure of the 2010 Tax Act to continue to treat the GO Zone as a difficult development area and the actions of the Board pursuant to this resolution have been taken to assure the financial feasibility of buildings located in the GO Zone.

SECTION 3. The Chairman, Vice-Chairman, President, Vice-President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's General Counsel and Tax Credit Counsel.


The resolution having been submitted to a vote, the vote thereon was as follows:

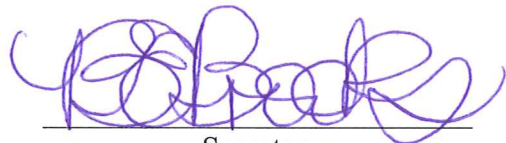
YEAS: Allison A. Jones, Michael L. Airhart, Katie Anderson,
Adena R. Boris, Mayson H. Foster, Neal P. Miller, Joseph
M. Scontrino, III, Frank H. Thaxton, III, Donald B. Vallee,
Guy T. Williams

NAYS:

ABSENT: John N. Kennedy, Jerome Boykin, Sr., Tyrone A. Wilson,
Elsenia Young

And the motion was declared adopted on this, the 13th day of April 2011.


Chairman

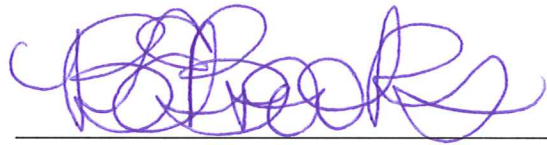

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on April 13, 2011, authorizing and approving an increase in the eligible basis of buildings located in the GO Zone pursuant to Section 42(d)(5) of the Internal Revenue Code in order to sustain their financial feasibility; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 13th day of April 2011.



Secretary

(SEAL)